

# Guidelines on Corporate Social Responsibility (CSR) of the Banco Desio Group

## Introduction

The Banco Desio Group is aware that a sustainability-oriented company is one that considers the interests of all stakeholders and the impacts that its work may have in defining its strategy, policies and daily management behaviour at an environmental and social level, as well as at an economic level.

The importance that the management of Environmental Social and Governance (ESG) issues is assuming is leading companies to go beyond the legal and compliance requirements, identifying virtuous socio-environmental measures and practices as an integral part of their systems of business, promoting the creation of long-term value. It follows that ESG statistics and, even before this, the company's ESG policies are fundamental for any organisation that wants to share medium-long term information with its stakeholders and satisfy an increasingly widespread need in financial markets.

In fact, the management of ESG aspects is not only a way to meet the new requirements set out in Legislative Decree 254/16, but it is a fundamental element for ethical, responsible and transparent management of one's business in order to increase and protect its reputation, credibility and consensus over time, prerequisites for sustainable business development aimed at creating and protecting value for its stakeholders.

## A) Human rights and personnel issues

In carrying on its business, the Banco Desio Group pursues the protection of human rights according to the principles stated in the Universal Declaration of Human Rights of 1948 and recognises the principles established by the Conventions of the International Labour Organization with particular reference (i) to the right to association and collective bargaining, (ii) the prohibition of child and forced labour, (iii) the protection of equality and non-discrimination in employment.

In particular:

- we recognize the centrality of human resources and the importance of establishing and maintaining relationships with them based on fairness and mutual trust. For these reasons, we are committed to developing the aptitudes and potential of each employee or collaborator in carrying on their activities, so that their skills and legitimate aspirations are fully realized in pursuit of the company's objectives;
- we guarantee working conditions that respect individual dignity, ensures high standards of protection of health and safety in the workplace, increasing awareness of risks and promoting responsible behaviour and adopt specific prevention and protection programs, making all company levels responsible, in order to protect the health and psychological and physical well-being of our collaborators;
- we safeguard the right and freedom of association and collective bargaining, rejecting any form of child labour or forced labour and any type of harassment, prevarication, threats or intimidation in the workplace;
- intends to contribute to raising awareness on these issues in relations with customers, suppliers and commercial partners, as well as in the context of relations with its collaborators, promoting the initiatives that best respond to the dissemination of

practices aimed at respecting these internationally recognized rights, avoiding relations with persons involved in illegal activities and those who do not respect human rights.

## **B) Diversity and Equal Opportunities**

We guarantee respect for diversity and, at every stage of each employee's working life, rejecting any form of inequity, favouritism, abuse or discrimination based on gender, sexual orientation and identity, age, marital status, ethnic or national origin, language, religion, different abilities, state of pregnancy, maternity or paternity, including adoptive ones, political opinions, union membership, personal beliefs.

In this context, diversity is considered an element to be valued as a source of professional and, more generally, cultural enrichment; discussions between people with different socio-cultural backgrounds, training, experience and expectations help to appreciate better the opportunities of a competitive and constantly changing market situation. We therefore believe in the importance of an inclusive culture by committing ourselves to preventing any form of inequity, favouritism, abuse or discrimination in the selection process, in the definition of remuneration, in training opportunities and professional growth, up to the end of the employment or collaboration relationship.

With regard to diversity policies in relation to the composition of the administrative, management and control bodies, the practices adopted by the Banco Desio Group are consistent with the provisions of law on gender quotas (Law 120/2011), with the Supervisory Provisions on the composition of the Corporate Bodies, which provide for "an adequate degree of diversification in terms, among other things, of skills, experience, age, gender and international projection". These practices will be formalised in a specific policy that will be adopted (also in accordance with the indications of the Italian Committee for Corporate Governance) for the update of the "theoretical profile" for the next renewal of office bearers, taking into account the EBA/ESMA Guidelines in force from next 30 June and the consequent updates of the Supervisory Provisions.

## **C) Culture of legality & anti-corruption**

In order to promote the culture of legality in every corporate area, we particularly fight corruption, in all its forms and manifestations, undertaking to operate in compliance with the highest standards of ethical and social responsibility in carrying on our business.

Each employee or collaborator is required to behave honestly in compliance with the set of values to which we aspire, as defined clearly and transparently in the Code of Ethics, prepared in accordance with the applicable anti-corruption provisions. Where necessary, these CSR guidelines will also be incorporated into our Code of Ethics by the end of 2018.

To this end, the Banco Desio Group oversees its business with an articulated system of rules, procedures and controls aimed at preventing crimes of corruption, among others, by maintaining an adequate internal control system in line with the requirements established by the regulatory provisions of reference.

Being aware that the first element for the development of an effective way to counter corruption is to have an in-depth knowledge of prevention tools, we consider it fundamental to provide to collaborators specific classroom lessons or online courses (e-learning) on the subject of corruption as part of our training programmes.

## **D) Environmental responsibility**

We recognise our direct and indirect environmental impacts, promoting a sustainable business through initiatives aimed at limiting the impacts that are linked to the business, directing our decisions in order to better reconcile the business needs with environmental ones, having regard to the applicable legislation.

Also for this reason, we are committed to developing initiatives that best meet the need to limit our environmental impact by:

- rationalising the consumption of natural resources used in carrying on our business activities (e.g. paper and water);
- increasing use of energy produced from renewable sources and the use of innovative technologies and solutions with a lower environmental impact;
- investments to improve the energy efficiency of buildings and plant installations;
- responsible waste management using, where possible, environmentally friendly differentiation and disposal methods;
- monitoring the effects of the above initiatives and of environmental data with the aim of continually improving our behaviour with a view to protecting the environment.

We are also aware of the indirect impacts related to its operations, i.e. activities and behaviour that we do not directly control as they are performed by third parties with which we do business, such as customers and suppliers. With this in mind, we intend to review our processes and behaviour in investment and lending decisions to reduce the environmental impacts related to them and in the supply chain to condition the policies of suppliers with regard to environmental protection, as well as to human and workers' rights.

## **E) Responsible investment**

We consider the integration of socio-environmental issues in the credit and investment process as a key element in the creation of economic and financial value and, at the same time, social and environmental benefits, consolidating more and more the sustainability of business activities by raising our reputation and, therefore, investor confidence.

This awareness is the foundation on which we intend to create value by basing our investment and lending decisions more and more on evaluation criteria that take into consideration not only the economic aspects of short-term profitability, but also environmental and social factors; in this sense, we undertake not to invest in or finance counterparties or activities considered to be seriously risky for the community (e.g. controversial sectors).

In this same perspective, we also have to consider the progressive development of investment opportunities managed according to social and environmental criteria that we intend to offer our own customers, with the aim of helping to create a virtuous circle of progressive awareness of increasingly sustainable economic models on the part of customers and suppliers.

## **F) Relationship with local communities**

We believe in open dialogue with trade associations to contribute to innovation and sustainable development of business activity. We are also committed to constant dialogue with the non-profit world, social enterprises and the public sector in order to cooperate according to their respective prerogatives, while avoiding situations of conflict of interest.

In this context, we recognise their role in the development of a company that is fairer and more attentive to social and environmental issues, supporting and promoting activities and initiatives of social utility to help the local community. Moreover, we pay particular attention to firms that are devoted to enhancing the social, cultural and entrepreneurial fabric.

Traditionally, we support the needs and requirements, not only material, expressed by the local area, also through donations and sponsorships that are assessed according to the relevance of the proposed initiatives in relation to the needs and requirements they intend to satisfy and in line with the Group's core values.

We are also committed to enhancing and protecting historical, artistic and cultural heritage, also so that it can be enjoyed by the general public.

## **G) Relationship with the Institutions**

The Banco Desio Group's relationships with all institutions of the Public Administration and the Supervisory Authorities are based on principles of correctness and transparency, respecting the reciprocal roles, exclusively through forms of communication aimed at representing their own requests, to respond to requests or in any case to make known our position on issues relating to the institutions' areas of competence.

We adopt specific organisational models aimed at preventing crimes, particularly against the Public Administration. In fulfilling our obligations towards the Public Administration, including for example tax returns, we strictly adhere to the principles of transparency, truthfulness and completeness, in the belief that this is a fundamental contribution towards the community in which we operate, all the more reason when such obligations are also fulfilled towards the general public, as in the case of accounting and corporate documentation.

We also collaborate actively in initiatives promoted by trade associations and bodies that represent the banking and financial system.